funds mopped up so far as well as MFs which have been granted permission but are yet to launch; and

(d) the details of MFs which have been refused permission?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) SEBI is working on operationalising this Budget announcement.

(b) to (d) Do not arise in view of reply to (a) above.

Bank credits for Dalits and Non-Dalits

1904. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of FINANCE be pleased to state:

(a) what is the amount of bank credits per-capita for Dalits and Non-Dalits during the years 1993, 2001, 2004 and 2007;

(b) whether it is a fact that ratio for Dalits have come down drastically during the above mentioned period and that for non-Dalits it has gone up appreciably and that in fact small borrowal accounts of Dalits have declined from 77 to 23 per thousand; and

(c) what are the reasons for this glaring disparity among Dalits and Non-Dalits bank credits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The information is being collected and will be laid on the Table of the House.

Change in rules for participatory notes

1905. SHRI M.V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Securities and Exchange Board of India (SEBI) changed rules regarding renewal of Participatory Notes with underlying derivatives by Foreign Institutional Investors, their accounts and details regarding new norms;

(b) if so, whether it has any cooling off effect in stock market; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes Sir. The Securities and Exchange Board of India (SEBI) approved certain measures streamlining the issue of Participatory Notes (PNs) by FIIs in October, 2007. These measures include the following:

1. FIIs and their sub-accounts shall not issue/renew Offshore Derivative Instruments (ODIs) with underlying as derivatives with immediate effect. They are required to wind up the current position over 18 months, during which period SEBI will review the position from time to time.

2. Further issuance of ODIs by the sub-accounts of FIIs will be discontinued with immediate effect. They will be required to wind up the current position over 18 months, during which period SEBI will review the position from time to time.

3. The FIIs who are currently issuing ODIs with national value of ODIs outstanding (excluding derivatives) as a percentage of their AUC in India of less than 40% shall be allowed to issue further ODIs only at the incremental rate of 5% of their AUC in India, subject to a limit of 40%.

4. Those FIIs with value of PNs outstanding (excluding derivatives) as a percentage of their AUC in India of more than 40% shall issue PNs only against cancellation/ redemption/closing out of the existing PNs of at least equivalent amount.

(b) and (c) The fluctuations/changes in the stock market indices depend on the changing perceptions of investors - domestic and overseas, retail and institutional - about the economy, the sector and the company. This perception is influenced by many factors including the macro-economic environment, the growth potential of the economy, policy credibility of the government, corporate performance, domestic and international events and market sentiments. This being so, it is difficult to attribute increase/decrease in the stock market indices or activities to a particular factor or to gauge its effect.

Inflow of Gulf funds

1906. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a spurt in the inflow of Gulf funds itno Indian stock markets with more than 40 Foreign Institutional Investors (FII) registered with Securities and Exchange Board of India (SEBI) based in Gulf countries like United Arab Emirates, Qatar, Oman, Kuwait and even Cyprus and Slovenia;

(b) whether these FIIs are investing in bonds, real estate and private Equity Funds in India; and

(c) whether FIIs from Gulf prefer to invest in Indian money market with more than 830 Indian shares beign complaint with the Shariah system of investing as laid out in the Holy Quran?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. According to data available with the Securities and Exchange Board of India (SEBI), an increase in net investment by FIIs from Gulf countries, *viz.* United Arab Emirates, Qatar, Oman, Kuwait, Saudi Arabia and Slovenia, has been seen over the period 2005 to 2007. There has been no FII investment from Cyprus during this period.

(b) The SEBI (FII) Regulations, 1995 prescribe the permissible investments by FIIs. In accordance with these regulations, FIIs can invest in securities in the primary and secondary markets including shares, debentures and warrants of companies, units of mutual funds, Government securities, commercial paper and derivatives. However, private equity fund is not one of the permitted investment avenues for FIIs under the regulations. Also, the present framework for mutual funds does not provide for launching of schemes for investment in real estate. Therefore, these FIIs are investing in bonds but the question of these FIIs investing in real estate and private equity funds does not arise.

(c) SEBI has informed that it is not aware of the levels of compliance or otherwise with the Shariah system of investing as laid out in the Holy Quran and therefore information relating to such classification of investments is not available with SEBI.